IN THE MATTER of the Gas Resources Preservation Act, being chapter G-3.1 of the Statutes of Alberta, 1984; and

IN THE MATTER of a permit to Pan-Alberta Gas Ltd. authorizing the removal of gas from the Province

PERMIT NO. PA 85-1

WHEREAS Pan-Alberta Gas Ltd. is removing gas from the Province under the authority of Permit No. PA 80-3; and

WHEREAS Pan-Alberta Gas Ltd. has made Application No. 820786 to the Energy Resources Conservation Board for amendment of Permit No. PA 80-3; and

WHEREAS the Board, upon inquiry into and hearing of the application, has found that the applicant is a person who appears to have made arrangements to purchase gas within the Province and proposes to remove such gas from the Province, and that the provisions of the Gas Resources Preservation Act affecting the application have been complied with; and

WHEREAS the Board is of the opinion that the granting of the application for the removal of gas from the Province is in the public interest having regard to the present and future needs of persons within the Province, and to the established reserves and trends in growth and discovery of reserves of gas in the Province; and

WHEREAS the Board considers it appropriate to revise and consolidate Permit No. PA 80-3 and the proposed amendments thereto, and to issue a new permit in place of Permit No. PA 80-3; and

WHEREAS the Lieutenant Governor in Council has given his approval by Order in Council numbered O.C. 899/85 and dated 19 December 1985.

THEREFORE, the Energy Resources Conservation Board, pursuant to the Gas Resources Preservation Act, being chapter G-3.1 of the Statutes of Alberta, 1984, hereby grants a permit to Pan-Alberta Gas Ltd. (hereinafter called "the Permittee") authorizing the removal of gas from the Province, subject to the regulations and orders made pursuant to the said Act and to the terms and conditions prescribed in this permit as follows:

1. This permit is for the removal from the Province of 32 000 000 000 cubic metres of gas, in accordance with

(a) Application No. 9445 from the Permittee dated 22 June 1976,

(b) Application No. 800354 from the Permittee dated 14 May 1980, and

(c) Application No. 820786 from the Permittee dated 9 August 1982.

2. Subject to the conformity by the Permittee with the terms and conditions hereof, this permit shall be operative for a term commencing on the date hereof and ending on 31 October 1997.

3. The quantity of gas that may be removed from the Province pursuant to this permit shall not exceed,

(a) during the term of the permit, a total of 32 000 000 000 cubic metres of gas less the quantity of gas removed from the Province under the authorization of Permit No. PA 74-1 and Permit No. PA 80-3, nor

(b) during any consecutive 24-hour period or any consecutive 12-month period ending 31 October, rates limited by field productivity and good engineering practice, but in a 24-hour period such rates shall not exceed 8 171 000 cubic metres and in a 12-month period such rates shall not exceed 2 818 000 000 cubic metres.

4. The quantity of gas that may be removed from the Province in accordance with clause 3, subclause (b), during any 12-month period ending 31 October, may be augmented by any part of the quantity by which gas removed from the Province under this permit, Permit No. PA 74-1 or Permit No. PA 80-3, in the last preceding 4-year period ending 31 October, shall have been less than the sum of the annual volumes authorized by such permits to be so removed in the 4-year period and which has not, in the meantime, been removed from the Province as an augmentation authorized by this clause, but nothing herein authorizes the removal of gas from the Province in any consecutive 24-hour period or during the term of the permit in excess of the volumes stipulated for such periods in clause 3.

5. Notwithstanding clause 3, subclause (b), the Permittee, for purposes only of alleviating temporary operating problems caused by pipeline or equipment failure, may remove in any consecutive 24-hour period 110 per cent of the volume of gas authorized for such period by clause 3, subclause (b).

6. (1) The Permittee, subject to clauses 7 and 8, may remove or cause to be removed from the Province under the authority of this permit, only gas produced from the following pools, fields and areas:

Amber Field
Ante Creek Field
Ante Creek North Field
Atlee-Buffalo Field

Badger Field
Bantry Field
Baxter Lake Field
Bellis Field
Big Bend Field
Blackfoot Field
Boundary Lake South Field

Cache Field
Calling Lake West Field
Cassils Field
Chauvin South Field
Chisholm Field
Countess Field
Craigend Field
Craigmyle Field

Dixonville Field
Doris Field
Drowned Field
Dyberg Field

Eaglesham Field
Eaglesham North Field
Ellscott Field
Elnora Field

Ferintosh Field
Ferrybank Field
Flat Field
Forty Mile Field

Garrington Field
Gilby Field
Granlea Field
Grassland Field

Harmattan East Field
Hollow Field
Hotchkiss Field
Hudson Field

Jarvie Field
Jenner Field
Joffre Field
Judy Creek Field

Kaybob South Field
Kirkwall Field
Knobhill Field

Little Bow Field
Lone Pine Creek Field

Meanook Field
Medicine Hat Field
Medicine River Field
Meyer Field

Olds Field
Owlseye Field

Pass Field
Pine Creek Field
Presley Field
Princess Field
Provost Field

Redwater Field
Retlaw Field
Richmond Field
Rochester Field

Smith Field
Stolberg Field
Suffield Field
Sugden Field
Sundance Field

Tangent Field
Therien Field
Turner Valley Field
Turin Field

Verger Field
Viking-Kinsella Field
Virgo Field

Wainwright Field
Warspite Field
Warwick Field
Westlock Field

Zama Field

(2) Each pool, field or area named in clause 6, subclause (1) of this permit shall be construed as being the pool, field or area of the same name, as such pool, field or area may be designated from time to time by the Board, pursuant to the Oil and Gas Conservation Act.

(3) Where any pool, field or area named in this permit is revised or designated by the Board in a manner otherwise than by the name referred to herein, the Board may, by stipulation hereto, substitute the revised name designated for any such pool, field or area named in this permit.

7. Gas acquired in Alberta by the Permittee, in exchange for equal volumes of gas, adjusted for any difference in higher heating value, produced from pools, fields or areas named in clause 6, may be removed from the Province under the authority of this permit.

8. (1) For purposes of this permit, gas acquired by the Permittee from sources other than from pools, fields and areas named in clause 6, subclause (1) may, subject to the provisions of subclauses (2), (3) and (4), be removed from the Province in substitution for gas produced or to be produced from pools, fields and areas named in clause 6, subclause (1).

(2) The total volume of gas removed from the Province during each 12-month period ending 31 October, shall not exceed the total volume of gas actually produced from the pools, fields and areas named in clause 6, subclause (1).

(3) Gas acquired by the Permittee from sources other than from pools, fields and areas named in clause 6, subclause (1), shall be deemed to be first used to supply sales to consumers, communities and utilities in Alberta, pipeline fuel and losses, and fuel and shrinkage at reprocessing plants in Alberta.

9. The Permittee shall remove or cause to be removed pursuant to this permit only such gas as is transported on behalf of the Permittee through

(a) Section 11, Township 20, Range 1, West of the 4th Meridian, for delivery from the facilities of NOVA, AN ALBERTA CORPORATION, or

(b) Section 11, Township 38, Range 1, West of the 4th Meridian, for delivery from the facilities of NOVA, AN ALBERTA CORPORATION, or

(c) Section 18, Township 8, Range 5, West of the 5th Meridian, for delivery from the facilities of NOVA, AN ALBERTA CORPORATION, or

(d) Section 2, Township 79, Range 12, West of the 6th Meridian, for delivery from the facilities of NOVA, AN ALBERTA CORPORATION, or

(e) Section 16, Township 85, Range 13, West of the 6th Meridian, for delivery from the facilities of NOVA, AN ALBERTA CORPORATION to the pipeline of Westcoast Transmission Company Limited, or

(f) Section 1, Township 20, Range 1, West of the 4th Meridian, for delivery from the facilities of Foothills Pipe Lines (Alta.) Ltd. to the pipeline of Foothills Pipe Lines (Sask.) Ltd.

10. (1) All gas removed from the Province pursuant to this permit shall be measured by or on behalf of the Permittee by master meters approved by the Board and located so as to measure the gas which is delivered in accordance with the approved points of removal referred to in clause 9.

(2) The relative density and higher heating value of all gas received by the Permittee through the facilities of NOVA, AN ALBERTA CORPORATION shall be measured by or on behalf of the Permittee at or near the points at which gas is delivered by NOVA, AN ALBERTA CORPORATION to the Permittee.

(3) The measurements required by this clause shall be made in a manner approved by the Board and shall be reported monthly in a manner approved by the Board.

11. All quantities of gas for the purpose of this permit shall be referred to a 101.325 kilopascal pressure base and a 15° Celsius temperature base.

12. Notwithstanding any provisions of any contract for the purchase or other acquisition of gas, the Board may require the extraction of any substance or substances except methane from any gas before its removal from the Province pursuant to this permit.

13. The Permittee shall supply gas from the pipeline of NOVA, AN ALBERTA CORPORATION at a reasonable price to any community or consumer within the Province, or to any public utility requiring gas for such community or consumer that is willing to take delivery of gas at a point on the pipeline transmitting the gas, and that, in the opinion of the Board, can reasonably be so supplied by the Permittee, provided, however, that the volume of gas which the Permittee may hereby be required to supply to the City of Medicine Hat shall not exceed 1 240 000 000 cubic metres.

14. If any community, consumer or public utility is willing to take delivery of gas pursuant to clause 13 and agreement on the price to be paid for the gas cannot be reached, the price to be paid shall be determined by the Public Utilities Board on the application of an interested party, and the part of the price attributable to transportation shall be based on the assumption that the gas has been supplied from the capable source or sources available to the Permittee nearest to the point of delivery.

15. Notwithstanding the provisions hereof, the Permittee shall comply with the provisions of any Act, regulation, order or direction governing the drilling for, production, conservation, gathering, transportation, processing, purchasing, acquisition, sale, measurement, reporting, testing, supply or delivery of gas within the Province.

16. Permit No. PA 80-3 is rescinded.

MADE at the City of Calgary, in the Province of Alberta, this 3rd day of January, 1986.

ENERGY RESOURCES CONSERVATION BOARD

G. J. DeSorcy
Vice Chairman

APPENDIX A TO PERMIT NO. PA 85-1

Alberta

ORDER IN COUNCIL

APPROVED AND ORDERED,

LIEUTENANT GOVERNOR

O.C. 899/85

December 19, 1985

EDMONTON, ALBERTA

Whereas the Energy Resources Conservation Board, having inquired into and heard an application by Pan-Alberta Gas Ltd. to amend and consolidate Permit No. PA 80-3 is prepared to grant the said application:

Therefore, upon the recommendation of the Honourable the Minister of Energy and Natural Resources, the Lieutenant Governor in Council, pursuant to section 9(3) of the Gas Resources Preservation Act,

(a) approves the issuance by the Energy Resources Conservation Board of Permit No. PA 85-1 to Pan-Alberta Gas Ltd. in the form attached hereto, and

(b) rescinds Orders in Council numbered O.C. 706/80 and O.C. 662/82.

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